

**UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL DEVELOPMENT
Bismarck, ND 58502**

December 30, 2003

SUBJECT: Water and Waste Disposal Interest Rates, Grant Levels and Applicable Median Household Incomes

TO: Rural Development Program Section

PURPOSE/INTENDED OUTCOME: Advise of median household income levels and quarterly changes in interest rates.

COMPARISON WITH PREVIOUS AN: This AN replaces ND AN No. 1402 (RUS 1780) dated October 17, 2003.

IMPLEMENTATION/RESPONSIBILITIES: Water and Waste Disposal loans approved January 1, 2004, through March 31, 2004, will have interest rates as set out below. 1990 Census Median Household Income will continue to be used for applications determined eligible in writing prior to October 1, 2003. The 2000 Median Household Income will be used for all applications received October 1, 2003, or later.

The websites are not available to the general public at this time. When they become available, we will provide them.

Interest Rates

4.500% - Poverty Line Rate: Must meet conditions of RUS Instruction 1780.13 (b) (1) and (2).
Poverty Rate Income: \$25,492 or less.

4.500% - Intermediate Rate: RUS Instruction 1780.13 (c), not to exceed 7%.
Intermediate Rate Income: \$25,493 to \$31,865

4.625% - Market Rate: RUS Instruction 1780.13 (d).
Market Rate Income: \$31,866 or more

EXPIRATION DATE:
March 31, 2004

FILING INSTRUCTIONS:
Following RUS Instruction 1780

Median Household Incomes for Grant Determination

Median Household Income \$25,492 or less considered for 75% grant.

Median Household Income \$25,493 to \$31,865 considered for 45% grant.

Median Household Income \$31,866 or more: Not eligible for grant.

CLARE A. CARLSON
State Director